GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5195
ANSWERED ON:20.04.2001
MERGER OF GTB AND UTI BANK
GADDE RAMAMOHAN

Will the Minister of FINANCE be pleased to state:

(a) whether the Valuation Report on the merger of Unit Trust of India Bank and Global Trust Bank (GTB) havebeen submitted to the Reserve Bank of India for a decision on the merger of two banks;

(b) if so, the details thereof alongwith the difference of swap ratio between the first Valuation Ratio and the second Valuation Ratio as suggested by the two valuers;

(c)whether the Securities and Exchanges Board ofIndia (SEBI) have launched an investigation into theGTB`s alleged roll in price rigging into its scrips;

(d) if so, the details thereof;

(e) whether the two Banks have not yet decided on the fate of UTI`s insurance venture before deciding the merger; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) Yes, Sir.

(b) The valuation and structuring reports on various aspects of the proposed amalgamation of Global Trust Bank Ltd. (GTB) and the Unit Trust of India (UTI) Bank were prepared by SBI Capital Markets Ltd. and M/s. Deloitte, Haskins & Sells. The two valuers arrived at the same swap ratios in their valuation reports although they had used different methodologies.

(c) Yes, Sir.

(d) Preliminary investigations by the Securities and Exchange Board of India (SEBI) revealed that, prima facie there appeared to be manipulation behind the rise in the share price of GTB during the period under reference.

(e) Global Trust Bank Ltd. has since called off their proposed merger with the UTI Bank.

(f) Does not arise.